

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

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LEARNING ANNEX HOLDINGS, LLC, and	:	Case No.:09CIV4432
LEARNING ANNEX, LLC,	:	(SAS/GWG)
	:	
Plaintiffs,	:	<b><u>ANSWER</u></b>
	:	
-against-	:	
	:	
WHITNEY EDUCATION GROUP, INC., WHITNEY	:	
INFORMATION NETWORK, INC., WEALTH	:	
INTELLIGENCE ACADEMY, INC., WEALTH	:	
INTELLIGENCE AGENCY, RICH DAD	:	
EDUCATION, LLC., RICH GLOBAL, LLC.,	:	
THE RICH DAD COMPANY and CASHFLOW	:	<b>TRIAL BY JURY</b>
TECHNOLOGIES, INC.,	:	<b>DEMANDED</b>
	:	
And John Does # 1-10 and XYZ Corp. # 1-10, the	:	
said defendants consisting of individuals and/or	:	
entities whose identities are currently unknown and	:	
who are believed to have committed and/or derived	:	
benefits from acts injuries to the Plaintiffs,	:	
	:	
Defendants.	:	
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**C O U N S E L O R S :**

Defendants, RICH GLOBAL, LLC and CASHFLOW TECHNOLOGIES, INC., by their attorneys, John D. Rapoport, P.C., hereby sets forth the following in Answer to the plaintiffs' Complaint.

**ANSWER TO THE PARTIES STATEMENT**

FIRST. The Answering defendants deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs "1", "2", "3", "4", "5", "6", "7", "8", "9", "10", "11", "12", "14" and "18" of the plaintiffs' complaint.

SECOND. The Answering defendants deny the allegations contained in paragraph **"13"** of plaintiffs' complaint in the form alleged, except admits that RICH GLOBAL, LLC is a Wyoming limited liability corporation.

THIRD. The Answering defendants deny the allegations contained in paragraphs **"15"** of plaintiffs' complaint in the form alleged, except admits that CASHFLOW TECHNOLOGIES, INC. is a Nevada corporation.

FOURTH. The Answering defendants deny the allegations contained in paragraphs **"16" and "17"** of plaintiffs' complaint in the form alleged and respectfully refer all questions of law to this honorable Court and questions of fact to the trier of fact.

FIFTH. The Answering defendants deny the allegations contained in paragraph **"19."**

#### **ANSWER TO JURISDICTION AND VENUE**

SIXTH. The Answering defendants deny the allegations contained in paragraphs **"20", "21", "22", "23"** of plaintiffs' complaint in the form alleged and respectfully refer all questions of law to this honorable Court and questions of fact to the trier of fact.

SEVENTH. The Answering defendants deny the allegations contained in paragraphs **"24", "25" and "26"** of plaintiffs' complaint.

EIGHTH. The Answering defendants deny knowledge or information sufficient to form a belief as to the allegations contained in paragraphs **"27" and "28"** of plaintiffs' complaint.

**ANSWER TO FACTUAL BACKGROUND**

NINTH. The Answering defendants deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs "29", "30", "31", "32", "33", "34" and "35".

TENTH. The Answering defendants deny the allegations contained in paragraphs "36" and "38" of plaintiffs' complaint in the form alleged and respectfully refer all questions of law to this honorable Court and questions of fact to the trier of fact.

ELEVENTH. The Answering defendants deny the allegations contained in paragraph "37" of plaintiffs' complaint in the form alleged, except admits that RICH GLOBAL, LLC and CASHFLOW TECHNOLOGIES, INC, are in the business of educating consumers on personal finance and business strategies.

TWELFTH. The Answering defendants deny the allegations contained in paragraphs "39", "40", "41", "42", "43", "44", "45", "46", "47", "48", "49", "54", "72", "91", "92", "93", "94", "117", "123", "124", "125" and "126" of plaintiffs' complaint.

THIRTEENTH. The Answering defendants deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs "50", "51", "52" and "68" of the plaintiffs' complaint.

FOURTEENTH. The Answering defendants deny the allegations contained in paragraph "53" of plaintiffs' complaint in the form alleged, except admits that the Learning Annex was fully and fairly compensated for its marketing and promotion efforts by a percentage of product sales, and also derived other benefits.

FIFTEENTH. The Answering defendants deny the allegations contained in paragraphs "55", "56", "57", "58", "59", "60", "61", "62", "63", "64", "65", "66", "67", "69", "70", "71", "73", "74", "75", "76", "77", "78", "79", "80", "81", "84", "86", "87", "88", "89", "90", "95", "96", "97" of plaintiffs' complaint and respectfully refer all questions of law to this honorable Court and questions of fact to the trier of fact.

SIXTEENTH. The Answering defendants deny the allegations contained in paragraphs "82" and "83" of plaintiffs' complaint in the form alleged, except admits that Mr. Kiyosaki and Mr. Zanker and/or Learning Annex had certain business relationships for which Mr. Zanker and/ or Learning Annex were fully and fairly compensated, and that the dedication language as stated is correct..

SEVENTEENTH. The Answering defendants deny the allegations in the form alleged contained in paragraphs "85", "98", "99", "100", "101", "102", "103", "104", "105", "106", "107", "108", "109", "110", "111", "112", "113", "114", "115", "116", "118", "119", "120", "121" and "122" of plaintiffs' complaint and respectfully refer all questions of law to this honorable Court and questions of fact to the trier of fact.

#### **ANSWER TO THE FIRST CAUSE OF ACTION**

EIGHTEENTH. In response to paragraph "127" the Answering defendants repeat, reiterate and reallege each and every denial made to paragraphs "1" through "126" inclusive with the same force and effect as though more fully set forth herein at length.



NINETEENTH. The Answering defendants deny the allegations contained in paragraphs "128", "129", "130", "131", "132", "133", "134", "135" and "136" of plaintiffs' complaint.

#### **ANSWER TO THE SECOND CAUSE OF ACTION**

TWENTIETH. In response to paragraph "137" the Answering defendants repeat, reiterate and reallege each and every denial made to paragraphs "1" through "136" inclusive with the same force and effect as though more fully set forth herein at length.

TWENTY-FIRST. The Answering defendants deny the allegations contained in paragraphs "138", "139", "140", "141", "142", "143", "144", "145", "146", "147" and "148" of plaintiffs' complaint.

#### **ANSWER TO THE THIRD CAUSE OF ACTION**

TWENTY-SECOND. In response to paragraph "149" the Answering defendants repeat, reiterate and reallege each and every denial made to paragraphs "1" through "148" inclusive with the same force and effect as though more fully set forth herein at length.

TWENTY-THIRD. The Answering defendants deny the allegations contained in paragraphs "150", "151", "152", "153", "154", "155", "156", "157", "158" and "159" of plaintiffs' complaint.

**ANSWER TO THE FOURTH CAUSE OF ACTION**

TWENTY-FOURTH. In response to paragraph "160" the Answering defendants repeat, reiterate and reallege each and every denial made to paragraphs "1" through "159" inclusive with the same force and effect as though more fully set forth herein at length.

TWENTY-FIFTH. The Answering defendants deny the allegations contained in paragraphs "161", "162", "163", "164" and "165" of plaintiffs' complaint.

**ANSWER TO THE FIFTH CAUSE OF ACTION**

TWENTY-SIXTH. In response to paragraph "166" the Answering defendants repeat, reiterate and reallege each and every denial made to paragraphs "1" through "165" inclusive with the same force and effect as though more fully set forth herein at length.

TWENTY-SEVENTH. The Answering defendants deny the allegations contained in paragraphs "167", "168", "169", "170" and "171" of plaintiffs' complaint.

**ANSWER TO THE SIXTH CAUSE OF ACTION**

TWENTY-EIGHTH. In response to paragraph "172" the Answering defendants repeat, reiterate and reallege each and every denial made to paragraphs "1" through "171" inclusive with the same force and effect as though more fully set forth herein at length.

TWENTY-NINTH. The Answering defendants deny the allegations in the form alleged contained in paragraphs "173" and "175" of plaintiffs' complaint.

THIRTIETH. The Answering defendants deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph **"174"** of the plaintiffs' complaint.

THIRTY-FIRST. The Answering defendants deny the allegations contained in paragraphs **"176", "177", "178" and "179"** of plaintiffs' complaint.

#### **ANSWER TO THE SEVENTH CAUSE OF ACTION**

THIRTY-SECOND. In response to paragraph **"180"** the Answering defendants repeat, reiterate and reallege each and every denial made to paragraphs **"1"** through **"179"** inclusive with the same force and effect as though more fully set forth herein at length.

THIRTY-THIRD. The Answering defendants deny the allegations contained in paragraphs **"181", "182", "183", "184", "185", "186", "187", "188", "189", "190", "191", "192", "193", "194", "195", "196", "197", "198", "199", "200", "201", "202" and "203"** of plaintiffs' complaint.

#### **ANSWER TO THE EIGHTH CAUSE OF ACTION**

THIRTY-FOURTH. In response to paragraph **"204"** the Answering defendants repeat, reiterate and reallege each and every denial made to paragraphs **"1"** through **"203"** inclusive with the same force and effect as though more fully set forth herein at length.

THIRTY-FIFTH. The Answering defendants deny the allegations contained in paragraphs **"205", "206", "207", "208" and "209"** of plaintiffs' complaint.

**ANSWER TO THE NINTH CAUSE OF ACTION**

THIRTY-SIXTH. In response to paragraph **"210"** the Answering defendants repeat, reiterate and reallege each and every denial made to paragraphs **"1"** through **"209"** inclusive with the same force and effect as though more fully set forth herein at length.

THIRTY-SEVENTH. The Answering defendants deny the allegations contained in paragraphs **"211", "212", "213", "217", "218" and "219"** of plaintiffs' complaint.

THIRTY-EIGHTH. The Answering defendants deny the allegations in the form alleged contained in paragraphs **"214", "215" and "216"** of plaintiffs' complaint.

**ANSWER TO THE TENTH CAUSE OF ACTION**

THIRTY-NINTH. In response to paragraph **"220"** the Answering defendants repeat, reiterate and reallege each and every denial made to paragraphs **"1"** through **"219"** inclusive with the same force and effect as though more fully set forth herein at length.

FORTIETH. The Answering defendants deny the allegations contained in paragraphs **"221", "223", "224", "225", "226" and "227"** of plaintiffs' complaint.

FORTY-FIRST. The Answering defendants deny the allegations in the form alleged contained in paragraph **"222"** of plaintiffs' complaint.



**ANSWER TO THE ELEVENTH CAUSE OF ACTION**

FORTY-SECOND. In response to paragraph "228" the Answering defendants repeat, reiterate and reallege each and every denial made to paragraphs "1" through "227" inclusive with the same force and effect as though more fully set forth herein at length.

FORTY-THIRD. The Answering defendants deny the allegations contained in paragraphs "229", "230", "231", "232" and "233" of plaintiffs' complaint.

**ANSWER TO THE TWELFTH CAUSE OF ACTION**

FORTY-FOURTH. In response to paragraph "234" the Answering defendants repeat, reiterate and reallege each and every denial made to paragraphs "1" through "233" inclusive with the same force and effect as though more fully set forth herein at length.

FORTY-FIFTH. The Answering defendants deny the allegations contained in paragraphs "235", "237", "238", "239", "240", "241", "242", "243" and "244" of plaintiffs' complaint.

FORTY-SIXTH. The Answering defendants deny the allegations in the form alleged contained in paragraph "236" of plaintiffs' complaint and respectfully refer all questions of law to this honorable Court and questions of fact to the trier of fact.

**ANSWER TO THE THIRTEENTH CAUSE OF ACTION**

FORTY-SEVENTH. In response to paragraph "245" the Answering defendants repeat, reiterate and reallege each and every denial made to paragraphs "1" through

"244" inclusive with the same force and effect as though more fully set forth herein at length.

FORTY-EIGHTH. The Answering defendants deny the allegations contained in paragraphs "246", "248", "249", "250", "251", "252" and "253" of plaintiffs' complaint.

FORTY-NINTH. The Answering defendants deny the allegations in the form alleged contained in paragraph "247" of plaintiffs' complaint and respectfully refer all questions of law to this honorable Court and questions of fact to the trier of fact.

#### **ANSWER TO FOURTEENTH CAUSE OF ACTION**

FIFTIETH. In response to paragraph "254" the Answering defendants repeat, reiterate and reallege each and every denial made to paragraphs "1" through "253" inclusive with the same force and effect as though more fully set forth herein at length.

FIFTY-FIRST. The Answering defendants deny the allegations contained in paragraphs "255", "256", "257", "258", "259", "260", "261", "262", "263" and "264" of plaintiffs' complaint.

#### **ANSWER TO THE FIFTEENTH CAUSE OF ACTION**

FIFTY-SECOND. In response to paragraph "265" the Answering defendants repeat, reiterate and reallege each and every denial made to paragraphs "1" through "264" inclusive with the same force and effect as though more fully set forth herein at length.

FIFTY-THIRD. The Answering defendants deny the allegations in the form alleged contained in paragraph "266" of plaintiffs' complaint.

FIFTY-FOURTH. The Answering defendants deny the allegations contained in paragraphs "267", "268", "269", "270" and "271" of plaintiffs' complaint.

**ANSWER TO THE SIXTEENTH CAUSE OF ACTION**

FIFTY-FIFTH. In response to paragraph "272" the Answering defendants repeat, reiterate and reallege each and every denial made to paragraphs "1" through "271" inclusive with the same force and effect as though more fully set forth herein at length.

FIFTY-SIXTH. The Answering defendants deny the allegations contained in paragraphs "273", "274", "275", "276", "277", "278", "279" and "280" of plaintiffs' complaint.

**ANSWER TO THE SEVENTEENTH CAUSE OF ACTION**

FIFTY-SEVENTH. In response to paragraph "281" the Answering defendants repeat, reiterate and reallege each and every denial made to paragraphs "1" through "280" inclusive with the same force and effect as though more fully set forth herein at length.

FIFTY-EIGHTH. The Answering defendants deny the allegations in the form alleged contained in paragraphs "282" and "284" of plaintiffs' complaint.

FIFTY-NINTH. The Answering defendants deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph "283" of the plaintiffs' complaint.

SIXTIETH. The Answering defendants deny the allegations contained in paragraphs "285", "286", "287 and "288" of plaintiffs' complaint.

**ANSWER TO THE EIGHTEENTH CAUSE OF ACTION**

SIXTY-FIRST. In response to paragraph "289" the Answering defendants repeat, reiterate and reallege each and every denial made to paragraphs "1" through "288" inclusive with the same force and effect as though more fully set forth herein at length.

SIXTY-SECOND. The Answering defendants deny the allegations contained in paragraphs "290", "291", "292", "293", "294", "295", "296" "297", "298" and "299" of plaintiffs' complaint.

**ANSWER TO THE NINETEENTH CAUSE OF ACTION**

SIXTY-THIRD. In response to paragraph "300" the Answering defendants repeat, reiterate and reallege each and every denial made to paragraphs "1" through "299" inclusive with the same force and effect as though more fully set forth herein at length.

SIXTY-FOURTH. The Answering defendants deny the allegations contained in paragraphs "301", "302", "303", "304", "305", "306", "307", "308" and "309" of plaintiffs' complaint.



**AFFIRMATIVE DEFENSES**

**FIRST AFFIRMATIVE DEFENSE**

SIXTY-FIFTH. The Complaint fails to state a Cause of Action upon which relief can be granted.

**SECOND AFFIRMATIVE DEFENSE**

SIXTY-SIXTH. The alleged contract/agreement between Plaintiffs and Defendants is unenforceable because it lacks mutuality of obligation.

**THIRD AFFIRMATIVE DEFENSE**

SIXTY-SEVENTH. The alleged contract/agreement between Plaintiffs and Defendants is void for lack of consideration.

**FOURTH AFFIRMATIVE DEFENSE**

SIXTY-EIGHTH. All of the alleged injuries suffered by Plaintiffs were caused by third parties over whom the Defendants have no control and for whom the Defendants are not responsible.

**FIFTH AFFIRMATIVE DEFENSE**

SIXTY-NINTH. Plaintiffs' claims are barred by the doctrine of unclean hands.

**SIXTH AFFIRMATIVE DEFENSE**

SEVENTIETH. Plaintiffs' claims are barred by their failure to mitigate their damages.

**SEVENTH AFFIRMATIVE DEFENSE**

SEVENTY-FIRST. Plaintiffs' claims are barred by the doctrine of waiver.

**EIGHTH AFFIRMATIVE DEFENSE**

SEVENTY-SECOND. Plaintiffs' claims are barred by equitable estoppel.

**NINTH AFFIRMATIVE DEFENSE**

SEVENTY-THIRD. These answering Defendants are informed and believe and thereon allege that if there presently exists or ever existed, any or all of the alleged rights, claims or obligations which Plaintiffs by way of their Complaint, said claims or obligations are unenforceable because Plaintiffs assumed the risk involved in the transaction.

**TENTH AFFIRMATIVE DEFENSE**

SEVENTY-FOURTH. The Complaint is time barred inasmuch as suit was not instituted within the time proscribed by law.

**ELEVENTH AFFIRMATIVE DEFENSE**

SEVENTY-FIFTH. The Complaint fails to state a cause of action for breach of fiduciary duty as plaintiffs have failed to allege, nor can they prove, the prima facie elements of such cause of action.

**TWELFTH AFFIRMATIVE DEFENSE**

SEVENTY-SIXTH. The purported contract/agreement alleged by plaintiffs in the Complaint is not in writing, and/or signed by the Defendants, and/or is otherwise unenforceable.

**THIRTEENTH AFFIRMATIVE DEFENSE**

SEVENTY-SEVENTH. Defendants reserve the right, upon completion of discovery and investigation or otherwise, to assert such additional defenses as may be appropriate.

**ANSWER TO THE WHEREFORE**

SEVENTY-EIGHTH. The Answering defendants deny the allegations contained in paragraphs "1", "2", "3", "4", "5", "6", "7", "8", "9", "10", "11", "12", "13", "14", "15", "16", "17", "18", "19", "20" and "21" of plaintiffs' complaint.

**DEMAND FOR JURY TRIAL**

Pursuant to Rule 38 of the Federal Rules of Civil Procedure defendants hereby demand a trial by jury.

**WHEREFORE**, defendants, RICH GLOBAL LLC and CASHFLOW TECHNOLOGIES, INC., demand judgment dismissing plaintiffs' Complaint against them, together with the costs and disbursements of this action, and further demand, that in the event said answering defendants are found liable to plaintiffs, LEARNING ANNEX HOLDINGS, LLC and LEARNING ANNEX, LLC, herein, then said answering defendants, on the basis of apportionment of responsibility, have judgment over against the aforementioned plaintiffs for all or part of the verdict or judgment that plaintiffs may recover against said answering defendants, together with the costs and disbursement of this action and for any expenses incurred by it in the defense thereof, including attorneys fees.

Dated: New York, New York  
June 8, 2009

Yours, etc.,

JOHN D. RAPOPORT, P.C.

BY: John D. Rapoport  
John D. Rapoport, Esq.  
Attorney for Defendants  
**RICH GLOBAL, LLC AND  
CASHFLOW TECHNOLOGIES, INC.**  
c/o MARULLI, LINDENBAUM,  
EDELMAN & TOMASZEWSKI, LLP  
5 Hanover Square, 4th Floor  
New York, New York 10004  
(914) 588-3415  
(914) 206-7775 (fax)

TO:

ROSEN GREENBERG BLAHA, LLP  
Attorney for Plaintiffs  
40 Wall Street, 32<sup>nd</sup> Floor  
New York, New York 10005  
(212) 530-4822



COHEN LANS, LLP

Attorneys for Defendants

**WHITNEY EDUCATION GROUP, INC.,**

**WHITNEY INFORMATION NETWORK, INC.,**

**WEALTH INTELLIGENCE ACADEMY, INC.,**

**WEALTH INTELLIGENCE AGENCY, RICH DAD  
EDUCATION, LLC.**

885 Third Avenue

New York, NY 10022

(212) 980-4500